UNIVERSITY OF MANITOBA

ANNUAL FINANCIAL REPORT 2002

103-02654/

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(Additional information is available at www.umanitoba.ca/admin/financial_services/)

MISSION STATEMENT

"The mission of the University of Manitoba is to create, preserve and communicate knowledge and, thereby, contribute to the cultural, social and economic well-being of the people of Manitoba, Canada and the world".

In fulfilling its mission, the University of Manitoba seeks to:

- *Provide the highest possible quality of undergraduate and graduate university teaching in the humanities, social sciences, natural and applied sciences, the fine and performing arts and the professions;*
- *Enhance student success by fostering an environment conducive to intellectual and personal growth;*
- *Conduct original scholarship and basic and applied research, and produce creative works of highest quality as judged by international standards;*
- *Serve the community directly by making its expertise available to individuals and institutions, and by providing as much access to the university's intellectual, cultural, artistic and physical resources as its primary teaching and research responsibilities permit;*
- *Preserve and protect academic freedom and intellectual independence, and provide a forum for critical inquiry and debate; and,*
- *Promote equity in access and employment and in the conduct of the university's affairs.*

REPORT OF THE BOARD OF GOVERNORS

To the Lieutenant-Governor-in-Council, Winnipeg, Manitoba

In Compliance with Section 22(1) of The University of Manitoba Act, the Annual Report on the financial affairs of the University for the year ended March 31, 2002 is herewith submitted to the Lieutenant-Governor-in-Council. In this report, we set forth in detail -

(a) the receipts and expenditures for the next preceding fiscal year,
(b) the investments as they stood at the end of the year, and
(c) other particulars which may be of interest to the Lieutenant-Governor-in-Council.

Included with this Report are the Financial Report of the Vice-President (Administration), the Statement of Responsibility for Financial Reporting and the Report of the Auditor General of the Province of Manitoba on the audit of the accounts of the University.

Receipts and Expenditures:
Summary of General Operating Fund Results
(In thousands of dollars)

	Year Ended March 31	
	2002	2001
Revenues and Other Additions	$ 320,005	$ 301,150
Expenditures and Other Deductions	293,969	274,792
Net Revenues	26,036	26,358
Appropriated To Specific Provisions	(13,939)	(19,041)
Expenditures Funded from Future Revenues	2,083	3,701
Inter-Fund Transfers	(13,830)	(10,720)
Net Increase (Decrease) To Fund Balances	$ 350	$ 298

Additions exceeded deductions by $26,036,000 for the current fiscal year. Net appropriations of $13,939,000 were made to specific provisions and an amount of $13,830,000 was transferred to other funds. The resulting net surplus of $350,000 has been added to the general operating balance in the General Operating Fund, increasing it to a balance of $955,000 as at March 31, 2002.

Investments:
Investment holdings at March 31, 2002 were as follows (at fair value):
(In thousands of dollars)

Canadian Bonds	$ 57,123
Canadian Equities	57,162
U.S. Equities	35,105
International Equities	33,781
Other Short Term Investments	93,965
	$ 277,136

Details of the above summaries will be found in the Financial Statements of the University which follow.

REPORT OF THE BOARD OF GOVERNORS

Members of the Board of Governors:

At March 31, 2002 the members of the Board of Governors were as follows:

CHAIR
Paul M. Soubry

VICE-CHAIR
Wayne Anderson, B.S.A., M.B.A.

CHANCELLOR
William Norrie, C.M, O.M., QC, LL.D.

PRESIDENT AND VICE-CHANCELLOR
Emőke J.E. Szathmáry, B.A. (Hons.), Ph.D., LL.D.

APPOINTED BY THE LIEUTENANT-GOVERNOR-IN-COUNCIL
Morgan Albl
Alfred Black, B.Math., M.Math.
Vanaja Dhruvarajan, B.A., M.A., Ph.D.
Gérald Dureault, B.A., B.Ed.
Esyllt W. Jones, B.A. (Hons.), M.A., M.A.
Joanna Plater, B.A. (Hons.), M.A.
David Popke
Terry Sargeant, B.A., LL.B.
Paul M. Soubry
Shirley Van Schie, B.A. (Adv.), M.A., LL.B.
Doris Young, B.A. (Hons.), M.P.A.

ELECTED BY SENATE
Harry W. Duckworth, B.Sc. (Hons.), Ph.D.
Janet Hoskins, B.E.S., M.Sc., Ph.D.
Anthony S. Secco, B.Sc. (Hons.), Ph.D.

ELECTED BY GRADUATES
Wayne Anderson, B.S.A., M.B.A.
Ian Smith, B.Sc., M.Sc., Ph.D., D.Sc.
Wendi Thiessen, B. Comm. (Hons.), M.B.A.

ELECTED BY THE UNIVERSITY OF MANITOBA STUDENTS' UNION
Romel Dhalla, B.A.
James Kusie, B. Comm. (Hons.)
Nicholas Louizos

UNIVERSITY SECRETARY
Beverly M. M. Sawicki, B.A. (Hons.), LL.B.

Respectfully submitted
The Board of Governors,
The University of Manitoba.

Paul M. Soubry,
Chair.

TABLE 1
SELECTED STATISTICS

	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998
Regular Session Enrolment					
Total Students[1,2]	23,618	21,978	21,124	21,098	21,083
•Undergraduate students	20,534	19,000	18,154	18,075	17,917
% Annual Change	8.1	4.7	0.4	0.9	-7.6
Full-Time	15,376	14,404	13,844	14,012	13,886
Part-Time	5,158	4,596	4,310	4,063	4,031
•Graduate students	2,693	2,593	2,590	2,645	2,792
% Annual Change	3.9	0.1	-2.1	-5.3	-7.6
Full-Time	1,884	1,822	1,857	1,934	1,978
Part-Time	809	771	733	711	814
•Post-Graduate Medical Education Students	391	385	380	378	374
Summer Session Enrolment	9,009	8,221	7,835	7,488	7,349
Full-Time Equivalent Students[1,3]	21,930	20,493	19,760	19,827	19,722
Visa Students	974	826	754	658	675
Undergraduate Student Credit Hours[1]					
Regular Session	465,682	437,048	420,726	424,216	417,232
Degrees, Diplomas, Certificates Conferred					
Undergraduate	3,538	3,348	3,411	3,514	3,619
Graduate	559	541	604	628	657
Operating Grant (000's)[4]	$187,425	$172,530	$166,113	$162,225	$158,842
Tuition Income (000's)	$80,542	$74,089	$67,314	$61,364	$57,017
Scholarships & Bursaries (000's)	$7,946	$6,987	$6,284	$5,573	$4,050
Academic F.T.E.[5]	1,165	1,129	1,138	1,114	1,089

1. As at November 1st.
2. Includes B.Sc.(Dentistry), B.Sc.(Medicine) and Joint Master's Program students.
3. Full-Time Equivalent Students = Full-time + (Part-time / 3.5). Includes both summer and regular session.
4. Operating Grant excludes first claims and grant in lieu of tuition; the latter included in Tuition Income.
5. Budget funded academic staff in faculties/schools (less special academics). Includes Strategic Initiative Fund in 2001-2002.

FINANCIAL REPORT OF THE VICE-PRESIDENT (ADMINISTRATION)

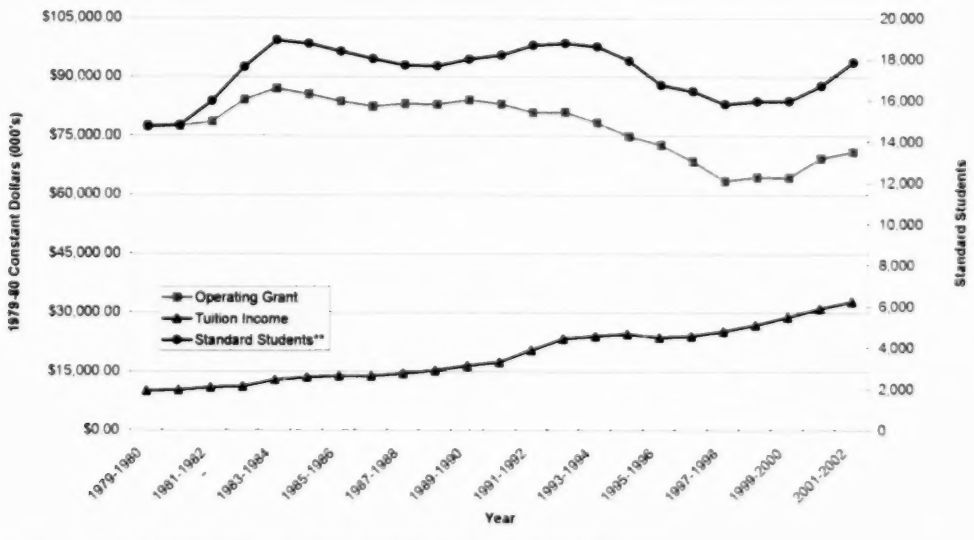
The University of Manitoba strives to be responsive, to develop new opportunities for the benefit of its community and to manage the fiscal challenges it faces so that it remains fiscally responsible and sustains its ability to achieve its mission. The University seeks to make significant contributions to the citizens of Manitoba, Canada and abroad through its work in education, research and community service.

Students: At the Centre of It All!

During fiscal 2001-2002 the University experienced its fourth consecutive year of growth in student enrolment, experiencing average enrolment growth of 7%. The growth in enrolment is double that experienced in fiscal 2000-2001 and this trend of increasing student enrolment, although perhaps not at these levels, is one that is anticipated to continue in the near term. Given the provincial freeze on tuition fees, any increase in tuition fee revenues is almost entirely due to growth in student numbers. The challenge arising from enrolment growth is to build the resource infrastructure of the University to accommodate this increased demand and ensure that the University is able to serve the expanded range of learners arising from this growth. Table 1 details the Degrees, Diplomas, Certificates conferred for the fiscal 2001-2002 as 4,097 for both undergraduate and graduate programs, a growth of 5% over the previous year.

Growth in student enrolment cannot by itself generate sufficient additional revenues to cover the costs associated with the delivery of quality education and the creation of knowledge. At best tuition fee revenues cover 50% of the total costs of course programming, and in some professional programs tuition fees cover approximately 20% of total program costs. The growth of almost 8% in student tuition and related fees essentially mirrors the growth of student enrolment. For fiscal 2001-2002 tuition revenue comprised approximately 23% of the total General Fund revenues. Table 2 depicts the tuition income in relation to student numbers and the operating grant.

TABLE 2
UNIVERSITY OF MANITOBA
OPERATING GRANT*, TUITION INCOME AND STANDARD STUDENT NUMBERS BETWEEN 1979-1980 AND 2001-2002**
(Operating Grant and Tuition Income adjusted to 1979-1980 constant dollars using CPI)

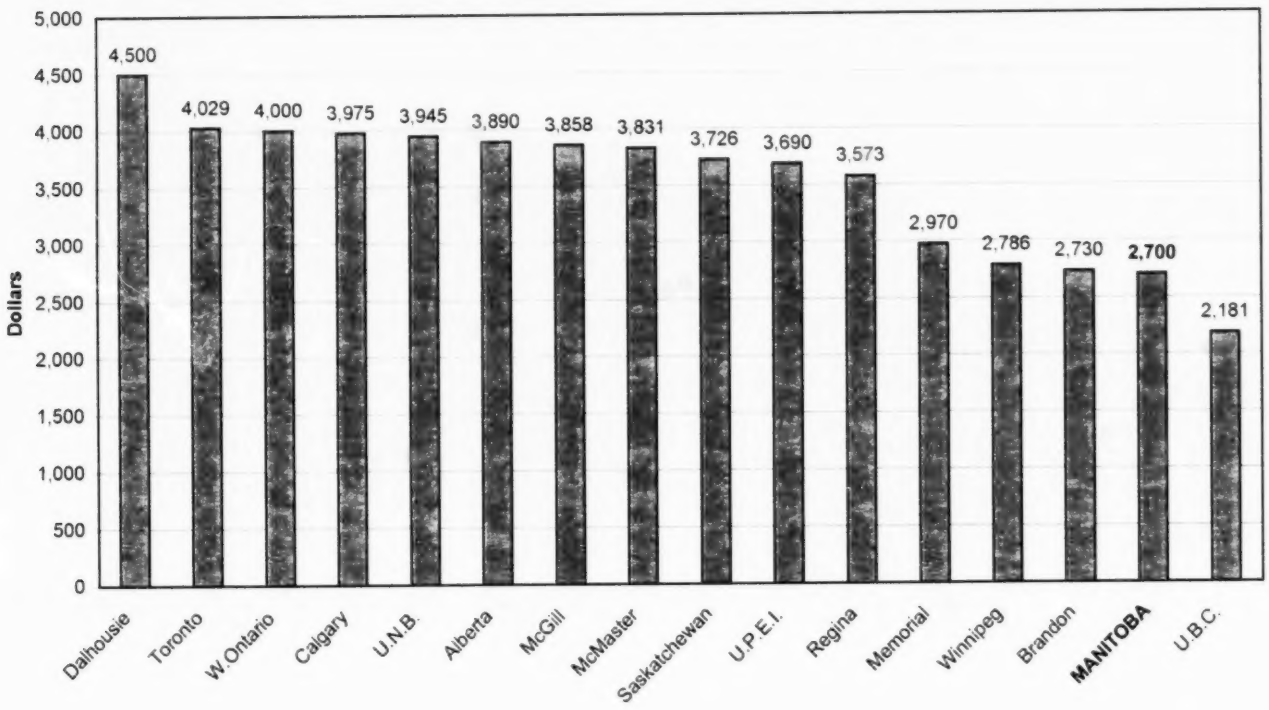


* Operating Grant excludes property taxes and grant in lieu of tuition, the latter included in Tuition Income
** Standard Students: total credit hours taught, divided by the normal full course load

Table 3 depicts comparative undergraduate tuition fees of selected Canadian universities for the 2001-2002. During fiscal 2001-2002 University of Manitoba tuition fees remained frozen at 1999-2000 levels. In addition to this, the Province of Manitoba, through the Council of Post-Secondary Education (COPSE), continued to offer a 10% rebate of tuition fee for students. For fiscal 2001-2002 this amounted to $6.8 million reimbursement to the University of Manitoba for tuition fee rebates provided to students. During this same period the University expenditure in Scholarships, Bursaries, Prizes and Awards increased by $1.0 million for a total of $8.0 million directed to students. The University and its donors and supporters continue to work diligently in increasing financial support to enhance access to this institution.

TABLE 3

COMPARATIVE UNDERGRADUATE TUITION FEES[1]
OF SELECTED CANADIAN UNIVERSITIES FOR
THE 2001-2002 ACADEMIC YEAR
(30 Credit Hours of Arts Courses)



1. The fees for the University of Manitoba, University of Brandon and University of Winnipeg reflect the 10% rebate received by Canadian students from the Manitoba Government.

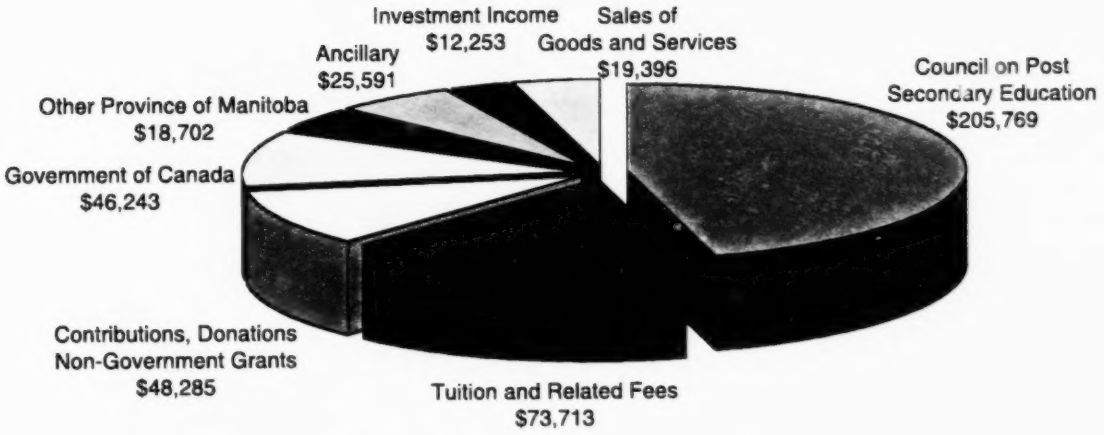
Resources Sustaining Education for Manitobans

For fiscal 2001-2002, COPSE grants to the University of Manitoba increased by $10.7 million (a 5.5% increase over the previous year) for a total of $205.8 million. The funds provided by COPSE are essential to sustain the University operations and account for almost 61% of the University General Fund revenues ($320.0 million) for last year, and 46% of Total Fund revenues ($450.0 million). Increased funding from COPSE includes increases in the amount of the 10% rebate for tuition fees, increase in the operating grant to support operating cost increases and an increase to grants for special program initiatives approved through COPSE. Special program areas funded included Nursing, Social Work, Computer Science, and the Access programs. The funding of the Manitoba Nursing Education Strategy ($5.6 million) and Access programs ($3.0 million) were previously funded from Other Province of Manitoba sources. Other Province of Manitoba revenues, which for the most part relates to specific research and education priorities, account for 4.5% of Total Funds revenues.

Incremental COPSE operating grant funding, which partially addresses cost increases, is important to the University. However, the challenge remains to find additional funding to cover the full costs of operating a research intensive university and this continues to be a significant concern to the University. Expanded student numbers and program requirements challenge the capacity and infrastructure of the University. Maintaining and expanding the aging facilities, continually advancing technologies and enhancing the capacity of human resources through both development and recruitment effort are important to the continued success of the University.

Other key contributors to the revenues of the University of Manitoba include our large community of local, national and international supporters through donations, contributions and grants (10.3% of Total Funds revenues). The Government of Canada (10.3% of Total Funds revenues) represents primarily contributions to specific research priorities from the federal granting councils. In addition, the University generates investment income (2.7% of Total Funds revenues) and generates revenues from support services offered through its ancillary enterprises (5.7% of Total Funds revenues). The sale of various goods and services (4.3% of Total Funds) generates revenues for several faculties. Table 4 details the breakdown of the various sources of revenue for the University of Manitoba.

TABLE 4
TOTAL REVENUE - ALL FUNDS
(GENERAL OPERATING $320.0M; RESTRICTED $123.9M; ENDOWMENT $6.1M)
MARCH 31, 2002
(in thousands of dollars)



For fiscal 2001-2002, the University experienced a 6% decline in the Total Funds revenue earned from the various sources noted above as compared to 2000-2001 ($450.0 from previous year $478.5). For the most part, this decline can be attributed to the timing of the receipt of significant capital campaign donations and to sizable investment gains recorded in the previous fiscal as a result of the accounting recognition of previously unrealized gains. To a lesser extent, the decline in revenue can be attributed to timing differences associated with research activities that impact grant revenue recognition.

In fiscal 2001-2002 the University of Manitoba announced a $200.0 million capital campaign, "Building on Strengths", to generate additional financial resources necessary to support numerous projects, including infrastructure renewal, scholarship funding and Library support. By year end the University had $148.6 million in pledged support and set a target of achieving the Campaign goal of $200.0 million by the end of 2003.

An economic impact study of the University of Manitoba (the third such study commissioned by the University and validated by an external firm of chartered accountants and consultants during 2001-2002) demonstrated the tremendous impact of the University of Manitoba operations on the Manitoba economy. This most recent economic impact study was prepared using the fiscal 2000-2001 financial results and shows that the University of Manitoba operations contributed almost $1.0 billion in economic benefit to the Manitoba economy. When considering the value of knowledge generation and innovation arising from research outcomes, investment in the University of Manitoba is a key strategic investment for the future of Winnipeg and the Province of Manitoba.

University Operations

General Operating Fund

The University operating budget for 2001-2002 together with a comparative summary statement of operations is included at Table 5. Revenues are shown by source and expenditures by function to provide a general understanding of the revenue and expenditure activities related to the General Operating Fund. Total operating revenues increased by $18.9 million (6.2%) over the previous fiscal year. Most of this increase is attributed to the increased COPSE funding for specified programs and initiatives and the increased tuition fee revenues relating to student enrolment.

General operating expenses increased by $21.0 million during fiscal 2001-2002. For the most part the $21.0 million of increased expenditures related to cost increases of ongoing operations. In review of the expenditures by function, 57% of the increased expenditure is attributable to instruction, 30% is related to increased expenditure in property taxes and the remaining 13% of expenditure increase is attributable to general operations including the libraries, student services and administration.

In review of the expenditures by expenditure type, 64% of the $21.0 million expenditure increase is attributed to salaries and related benefits cost increases. Over the course of fiscal 2001-2002 there was a net increase in academic and support staff of 118 positions. Table 6 depicts historical comparisons of academic and support staff positions. Finally, 30% of the increased operating expenditure is related to increased expenditure in property taxes and the remaining 6% is attributed to various items including supplies and expenses, cost of goods sold, utilities and library acquisitions.

TABLE 6
HISTORICAL COMPARISONS OF ACADEMIC AND SUPPORT STAFF POSITIONS
UNIVERSITY OF MANITOBA 1979-2001

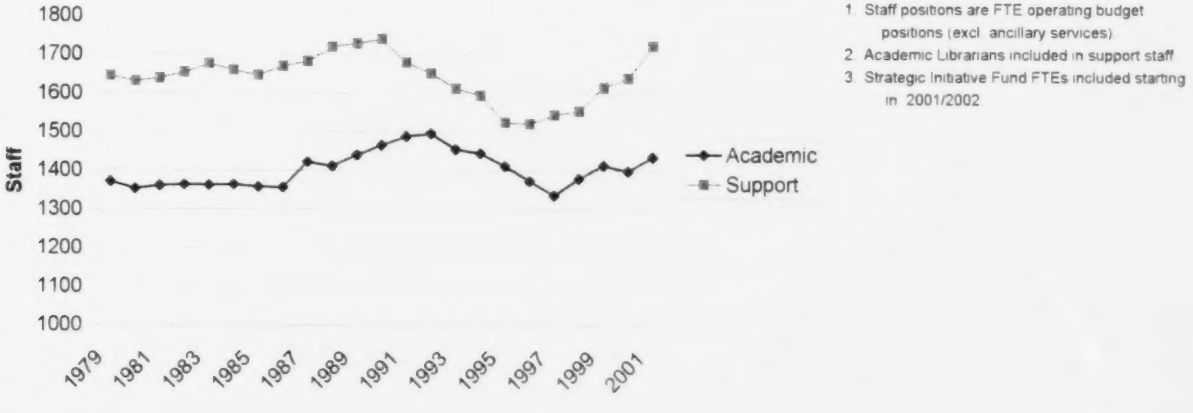


TABLE 5
GENERAL OPERATIONS
Summary Statement
(in thousands of dollars)

	April 1, 2001 Budget	March 31, 2002 Actual	March 31, 2001 Actual
Revenue:			
Council on Post-Secondary Education grants	$ 193,748	$ 194,254	$ 183,913
Other Province of Manitoba	50	1,203	576
Tuition and related fees	68,941	73,713	68,306
Ancillary Enterprises	24,629	25,591	24,714
Sales of goods & services	17,657	19,396	19,418
Investment & other revenues	7,806	5,848	4,223
	312,831	320,005	301,150
Expense by Function:			
Instruction	$ 179,494	$ 195,210	$ 183,083
Physical Plant	30,551	28,166	29,002
Ancillary Enterprises	24,629	25,045	23,239
Property tax	15,889	12,990	6,635
Central reserves *	17,497		
Administration	12,227	12,749	11,887
Student Services	11,587	11,931	11,457
Libraries	16,199	17,566	15,762
Other	4,758	6,793	7,146
	312,831	310,450	288,211
Net Revenue		9,555	12,939
Net Transfer to Other Funds		(9,205)	(12,641)
Net Increase to Fund Balance	$	$ 350	$ 298
Expense by Object Code:			
Academic salaries	$ 92,110	$ 98,392	$ 94,043
Other instruction salaries	7,743	11,282	9,800
Support staff salaries	67,706	72,755	67,401
Staff benefits	25,386	26,909	24,798
Payroll tax levy	3,550	3,868	3,625
Supplies and expenses	45,497	47,525	47,389
Ancillaries cost of goods sold	14,152	14,987	14,886
Utilities	17,279	15,305	14,210
Library acquisitions	6,022	6,437	5,424
Central reserves *	17,497		
Property tax	15,889	12,990	6,635
	$ 312,831	$ 310,450	$ 288,211

* Represents funds budgeted for distribution to units' budgets during the year for salary and contract increases and other centrally funded purposes.

Property taxes for fiscal 2001-2002 are double that recorded in fiscal 2000-2001 as tax expenditures had been reduced for that year by a one-time retroactive property tax re-assessment and refund. Near the end of fiscal 2001-2002 the Province announced its commitment to adjust the assessment model for universities and effectively phase out requirement for the University to pay property taxes on all property except residences and commercial use space. This phase out will take effect over the next five years.

Ancillary Enterprises of the University are operated on a break-even basis and for fiscal 2001-2002 they served the University community by offering affordable services in the Bookstore, Parking Services, Residences, the Pharmacy and Post Office. The Ancillary operations are required to fund all operating and capital costs of their operations, as well as support debt repayment for their capital assets, renewal of technology infrastructure and help subsidize support services offered to the campus community such as Security Services.

Capital Asset Fund

In fiscal 2001-2002, the University invested $56.2 million in capital. Of this $27.1 million is attributed to physical infrastructure renewal that includes investment in items such as parking lots, buildings, roofs, and technology infrastructure to address significant problems faced as a result of the aging campus. In addition, $12.5 million of the capital expenditure was invested in general equipment and furniture requirement, $8.3 million was invested in technology equipment and finally, $7.0 million was invested in library holdings and works of art. Vehicles and general capital leases account for the balance of the $56.2 million capital expenditure.

Research Fund

In fiscal 2001-2002 a total of $20.7 million was received for Special Projects in addition to the $68 million relating to Sponsored or Assisted Research for a total of $88.7 million (2000-2001 $30.2 million and $60 million respectively). Late in the fiscal year the Federal government announced a one-time grant in support of the indirect costs of research. This was received by the University subsequent to year end, and is not recorded in the current fiscal year. The University of Manitoba received $5.5 million in indirect cost support from this Federal program.

Conclusion

Increased investment in the University is the right choice for Manitoba and will result in sustaining the capacity of the University to support learning, innovation in research and community service. The University acknowledges with gratitude the support of the Province and COPSE, and all students, staff, alumni, and community stakeholders for their continuing support.

Respectfully submitted,
Michael W. McAdam

Vice-President (Administration)
University of Manitoba

UNIVERSITY
OF MANITOBA

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The University is responsible for the preparation of the financial statements and has prepared them in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA). The University believes the financial statements present fairly the University's financial position as at March 31, 2002 and the results of its operations for the year then ended.

The University's Board of Governors is responsible for overseeing the business affairs of the University and also has the responsibility to approve the financial statements. The Board has delegated certain responsibilities to its Audit Committee including the responsibility for reviewing the annual financial statements and meeting with management and the Auditor General of Manitoba on matters relating to the financial reporting. The Auditor General has full access to the Audit Committee with or without the presence of management. The Board has approved the financial statements.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal controls designed to provide reasonable assurance that University assets are safeguarded from loss and that accounting records are a reliable basis for the preparation of financial statements. The integrity of internal controls is reviewed on an ongoing basis by Audit Services and the Auditor General.

The financial statements for the year ended March 31, 2002 have been reported on by the Auditor General of Manitoba, the auditor appointed under the University of Manitoba Act. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the financial statements.

Michael W. McAdam,
Vice-President (Administration).

May 31, 2002
Winnipeg, Manitoba

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITOR'S REPORT

To the Lieutenant Governor in Council
To the Legislative Assembly of Manitoba
To the Board of Governors of The University of Manitoba

We have audited the comparative statement of financial position of The University of Manitoba as at March 31, 2002 and the comparative statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these comparative financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2002 and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
May 31, 2002

Jon W. Singleton, CA•CISA
Auditor General

FINANCIAL STATEMENTS

The University of Manitoba
Comparative Statement of Financial Position
as at March 31
(in thousands of dollars)

Assets	*2002*	*2001*
Current Assets		
Cash	$ 12,203	$ 18,444
Investments (Note 3)	81,479	71,183
Accounts Receivable:		
Council on Post-Secondary Education	2,964	3,992
General	22,139	23,190
Research and Special	22,750	21,229
Inventories	3,421	3,600
Prepaid Expenses	310	238
	145,266	141,876
Long Term Assets		
Investments (Note 3)	185,755	172,983
Funds on Deposit for Staff Benefits (Note 4)	31,665	31,242
Investment in Subsidiary Companies (Note 5)	93	90
Capital Assets, Net of Accumulated Amortization (Note 7)	303,536	269,924
	521,049	474,239
	$ 666,315	$ 616,115

Liabilities	*2002*	*2001*
Current Liabilities		
Accounts Payable	$ 28,052	$ 26,662
Unearned Revenue	3,962	2,613
Unfunded Staff Benefits	7,096	7,275
Current Portion of Capital Lease Obligations (Note 8)	223	356
Current Portion of Long Term Debt (Note 9)	305	287
	39,638	37,193
Long Term Liabilities		
Employee Future Benefits (Note 10)	55,086	52,280
Capital Lease Obligations (Note 8)	645	228
Term Loans (Note 9)	5,608	5,911
	61,339	58,419
Province of Manitoba Capital Advances, and Debentures Payable (Note 9)	4,665	7,261
Less: Sinking Fund Assets on Deposit with the Province of Manitoba for the Retirement of Debentures (Note 9)	4,490	6,852
	175	409
	61,514	58,828
Fund Balances	565,163	520,094
	$ 666,315	$ 616,115

Contingent Liabilities (Note 17)

APPROVED BY THE BOARD OF GOVERNORS

Paul Soubry - Chair

Wayne Anderson - Vice-Chair

(The accompanying Notes form an integral part of the Financial Statements)

Comparative Statement of Operations and Changes in Fund Balances for the years ended March 31 (in thousands of dollars)

	General Funds (Note 2d)	*Restricted Funds (Note 2e)*	*Endowment Fund (Note 2f)*	*2002 Total Funds*	*2001 Total Funds*
Revenue:					
Tuition and Related Fees	$ 73,713	$	$	$ 73,713	$ 68,306
Contributions, Donations, Non-Government Grants	296	39,958	6,100	46,354	57,991
Investment Income	3,133	9,119	1	12,253	31,788
Miscellaneous Income	1,851	80		1,931	987
Government Grants:					
Council on Post-Secondary Education	194,254	11,515		205,769	194,871
Other Province of Manitoba	1,203	17,499		18,702	32,267
Government of Canada	568	45,675		46,243	48,170
Sales of Goods and Services	19,396			19,396	19,418
Ancillary Enterprises	25,591			25,591	24,714
	320,005	123,846	6,101	449,952	478,512
Expense:					
Academic	172,023	74,215		246,238	229,374
Libraries	10,723	21		10,744	10,198
Student Services	11,708	502		12,210	11,798
Administration	12,544	1,112		13,656	13,328
Plant Maintenance	27,028	22		27,050	26,541
Other Academic Support	16,816	444		17,260	15,523
General	6,590	3,572	22	10,184	9,975
Property Taxes	12,990			12,990	6,635
Scholarships, Bursaries, Prizes and Awards		7,946		7,946	6,987
Interest on Bank Loan, Debentures, Capital Advances and Capital Lease Obligations		1,085		1,085	1,258
Amortization of Capital Assets		22,471		22,471	21,093
Ancillary Enterprises	23,134			23,134	22,446
Staff Benefits & Early Retirement Provision	413	(498)		(85)	177
	293,969	110,892	22	404,883	375,333
Net Revenue	26,036	12,954	6,079	45,069	103,179
Inter-Fund Transfers	(13,332)	12,192	1,140		
Net Increase to Fund Balances	12,704	25,146	7,219	45,069	103,179
Fund Balances Beginning of the Year	(16,872)	470,588	66,378	520,094	416,915
Fund Balances End of the Year	$ (4,168)	$ 495,734	$ 73,597	$ 565,163	$ 520,094
Unrestricted Funds	$ (47,124)	$	$	$ (47,124)	$ (45,391)
Internally Restricted Funds	42,956	26,576		69,532	52,114
Externally Restricted Funds		160,938	73,597	234,535	225,357
Invested in Capital Assets		308,220		308,220	288,014
	$ (4,168)	$ 495,734	$ 73,597	$ 565,163	$ 520,094

(The accompanying Notes form an integral part of the Financial Statements)

Comparative Statement of Operations and Changes in Fund Balances for the General Funds for the years ended March 31 (in thousands of dollars)

	General Operating Fund (Note 2d)	*Specific Provisions Fund (Note 2d)*	*Expenses Funded From Future Revenues (Note 2d)*	*2002 Total General Funds*	*2001 Total General Funds*
Revenue:					
Tuition and Related Fees	$ 73,713	$	$	$ 73,713	$ 68,306
Contributions, Donations, Non-Government Grants	296			296	108
Investment Income	3,133			3,133	3,187
Miscellaneous Income	1,851			1,851	924
Government Grants:					
Council on Post-Secondary Education	194,254			194,254	178,313
Other Province of Manitoba	1,203			1,203	6,176
Government of Canada	568			568	4
Sales of Goods and Services	19,396			19,396	19,418
Ancillary Enterprises	25,591			25,591	24,714
	320,005			320,005	301,150
Expense:					
Academic	172,023			172,023	162,300
Libraries	10,723			10,723	10,121
Student Services	11,708			11,708	11,308
Administration	12,544			12,544	11,577
Plant Maintenance	27,028			27,028	26,536
Other Academic Support	16,816			16,816	15,121
General	6,590			6,590	7,038
Property Taxes	12,990			12,990	6,635
Scholarships, Bursaries, Prizes and Awards					1,023
Ancillary Enterprises	23,134			23,134	22,446
Staff Benefits & Early Retirement Provision	413			413	687
	293,969			293,969	274,792
Net Revenue	26,036			26,036	26,358
Net Increase in Expenses to be Funded From Future Revenues	2,083		(2,083)		
Inter-Fund Transfers	(27,769)	14,437		(13,332)	(10,210)
Net Increase (Decrease) to Fund Balances	350	14,437	(2,083)	12,704	16,148
Fund Balances Beginning of the Year	605	28,519	(45,996)	(16,872)	(33,020)
Fund Balances End of the Year	$ 955	$ 42,956	$ (48,079)	$ (4,168)	$ (16,872)
Unrestricted Funds	$ 955	$	$ (48,079)	$ (47,124)	$ (45,391)
Internally Restricted Funds		42,956		42,956	28,519
	$ 955	$ 42,956	$ (48,079)	$ (4,168)	$ (16,872)

(The accompanying Notes form an integral part of the Financial Statements)

Comparative Statement of Operations and Changes in Fund Balances for the Restricted Funds for the years ended March 31 (in thousands of dollars)

	Capital Asset Fund (Note 2e)	*Research and Special Fund (Note 2e)*	*Staff Benefits Fund (Note 2e)*	*Trust Fund (Note 2e)*	*2002 Total Restricted Funds*	*2001 Total Restricted Funds*
Revenue:						
Contributions, Donations, Non-Government Grants	$ 3,067	$ 32,402	$ 868	$ 3,621	$ 39,958	$ 42,830
Investment Income	204		2,215	6,700	9,119	28,601
Miscellaneous Income			55	25	80	63
Government Grants:						
Council on Post-Secondary Education	11,515				11,515	16,558
Other Province of Manitoba	3,072	14,427			17,499	26,091
Government of Canada	3,721	41,954			45,675	48,166
	21,579	88,783	3,138	10,346	123,846	162,309
Expense:						
Academic		74,215			74,215	67,074
Libraries		21			21	77
Student Services		502			502	490
Administration		1,112			1,112	1,751
Plant Maintenance		22			22	5
Other Academic Support		444			444	402
General			1,927	1,645	3,572	2,937
Scholarships, Bursaries, Prizes and Awards		4,638		3,308	7,946	5,964
Interest on Bank Loan, Debentures, Capital Advances and Capital Lease Obligations	1,085				1,085	1,258
Amortization of Capital Assets	22,471				22,471	21,093
Staff Benefits & Early Retirement Provision		(498)			(498)	(510)
	23,556	80,456	1,927	4,953	110,892	100,541
Net Revenue	(1,977)	8,327	1,211	5,393	12,954	61,768
Inter-Fund Transfers	22,183	(5,772)	(1,332)	(2,887)	12,192	7,791
Net Increase to Fund Balances	20,206	2,555	(121)	2,506	25,146	69,559
Fund Balances Beginning of the Year	288,014	53,675	17,683	111,216	470,588	401,029
Fund Balances End of the Year	$ 308,220	$ 56,230	$ 17,562	$ 113,722	$ 495,734	$ 470,588
Internally Restricted Funds	$	$	$ 5,517	$ 21,059	$ 26,576	$ 23,595
Externally Restricted Funds		56,230	12,045	92,663	160,938	158,979
Invested in Capital Assets	308,220				308,220	288,014
	$ 308,220	$ 56,230	$ 17,562	$ 113,722	$ 495,734	$ 470,588

(The accompanying Notes form an integral part of the Financial Statements)

Comparative Statement of Cash Flows
as at March 31
(in thousands of dollars)

	General Funds	*Restricted Funds*	*Endowment Fund*	*2002 Total Funds*	*2001 Total Funds*
Cash from Operating Activities:					
Excess of Revenue over Expense	$ 12,704	$ 25,146	$ 7,219	$ 45,069	$ 103,179
Amortization of Capital Assets		22,471		22,471	21,093
Income on Investment in Subsidiary Companies	(3)			(3)	
	12,701	47,617	7,219	67,537	124,272
Net Change in Non-Cash Working Capital Items	(3,519)	6,744		3,225	(4,057)
Net Change in Employee Future Benefits		2,806		2,806	3,154
Net Cash Generated through Operating Activities	9,182	57,167	7,219	73,568	123,369
Investing Activities:					
Increase in Long-Term Investments		(4,413)	(8,359)	(12,772)	(40,793)
(Increase) Decrease in Funds on Deposit for Staff Benefits		(423)		(423)	895
Purchase of Capital Assets		(56,083)		(56,083)	(41,880)
Net Cash Used in Investing Activities		(60,919)	(8,359)	(69,278)	(81,778)
Financing Activities:					
Proceeds from Capital Lease Obligations		559		559	457
Proceeds from Province of Manitoba Capital Advance					555
Principal Repayment on Capital Lease Obligations		(275)		(275)	(378)
Principal Repayment on Province on Manitoba Capital Advances		(2,438)		(2,438)	(2,230)
Principal Repayment on Debentures		(158)		(158)	(147)
Principal Repayment on Bank Loan		(285)		(285)	(792)
Net Cash Used in Financing Activities		(2,597)		(2,597)	(2,535)
Net Increase (Decrease) in Cash	9,182	(6,349)	(1,140)	1,693	39,056
Inter-Fund Adjustments	(13,332)	12,192	1,140		
Cash Beginning of Year	52,412	44,067		96,479	57,423
Cash End of Year	$ 48,262	$ 49,910	$	$ 98,172	$ 96,479
Cash is defined as:					
Cash	$ 11,902	$ 301	$	$ 12,203	$ 18,444
Investments	36,360	45,119		81,479	71,183
Sinking Fund Assets on Deposit with the Province of Manitoba		4,490		4,490	6,852
	$ 48,262	$ 49,910	$	$ 98,172	$ 96,479

(The accompanying Notes form an integral part of the Financial Statements)

NOTES TO THE FINANCIAL STATEMENTS

(in thousands of dollars)

1. AUTHORITY AND PURPOSE

The University of Manitoba was established in 1877. It is governed by a Board of Governors acting under the authority of The University of Manitoba Act, R.S.M. 1987, c. U60. The University of Manitoba is a registered charity and is exempt from income taxes under Section 149 of the Income Tax Act.

The University of Manitoba, as the largest and most comprehensive institution of higher learning in Manitoba, plays a distinctive role within the Province. In addition to offering an undergraduate liberal education in arts, science and education, the University of Manitoba provides programs in a broad range of professional studies, applied sciences and the fine and performing arts and is responsible for the vast majority of graduate education and research in Manitoba. Through its professional programs, the University of Manitoba fills a special niche in the educational and research needs of Manitoba. The University of Manitoba reaches out to a variety of constituencies in order to enhance the health, cultural, social and economic life of Manitobans and to provide lifelong learning opportunities for them. Through community service the University makes its expertise available to all Manitobans.

2. SIGNIFICANT ACCOUNTING POLICIES

a. General

These financial statements have been prepared in accordance with generally accepted accounting principles as recommended by the Canadian Institute of Chartered Accountants ("CICA") for not-for-profit organizations. The University has adopted the restricted fund method of accounting for contributions.

b. Fund Accounting

The University classifies resources used for various purposes into separate Funds which correspond to its major activities and objectives. The Comparative Statement of Financial Position combines the assets and liabilities of all Funds.

The University maintains its Funds under three fund categories, General, Restricted and Endowment Funds. The General Funds include the Funds for General Operating, Specific Provisions and Expenses Funded from Future Revenues. The Restricted Funds include the Capital Asset, Research & Special, Staff Benefits and Trust Funds. The Endowment Fund includes endowment funds of the University.

c. Accounting Estimates

Accounting estimates are included in financial statements to approximate the effect of past revenue or expense transactions or events, or to approximate the present status of an asset or liability. Examples include accruals for property taxes not yet assessed and the estimated useful life of an asset. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

d. General Funds

General Operating Fund:

The General Operating Fund includes the academic, administrative, operational and ancillary costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, sales of goods and services to external parties and ancillary income. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.

All funds received or accrued by the University for general operating purposes and for equipment and renovation expenses not meeting the University's capitalization criteria are included in the General Operating Fund. The net cost of operating units is determined by including internal cost allocations for certain centrally administered services such as the telephone system in the units' expenses and by deducting these expenses as internal cost recoveries from the total expenses incurred by the unit administering these services.

The University Book Store, Parking, Student Residences and Pharmacy/Post Office are classified as Ancillary Enterprises and are budgeted on a break-even basis. Any surpluses or deficits are unrestricted and are maintained within the General Operating Fund. Overhead costs have been allocated to all ancillary operations. The replacement or improvement of capital assets for these ancillaries is funded by an annual appropriation to the Specific Provisions Fund. Amortization of ancillary capital assets, and interest expense on the University Parkade is recorded in the Capital Asset Fund.

Academic and administrative units also generate revenues through the sale of goods and services to individuals, companies and organizations external to the University. The revenues earned are unrestricted resources and are reflected in the General Operating Fund.

Specific Provisions Fund:
The Specific Provisions Fund records appropriations made from (to) the General Operating, Capital Asset and Research & Special Funds.

These appropriations are made to provide future funding for the replacement, improvement or emergency maintenance of capital assets, or other matters, including a fiscal stabilization provision to offset potential spending in excess of future budgets and an early retirement incentive provision. Such appropriations are shown as inter-fund transfers on the Comparative Statement of Operations and Changes in Fund Balances.

Expenses Funded From Future Revenues:
Expenses Funded from Future Revenues records the amount of unpaid vacation pay for permanent non-academic staff which will be funded from future revenues. It also records the actuarially determined expense for employee future benefits.

e. Restricted Funds

Capital Asset Fund:
The Capital Asset Fund consists of restricted contributions resulting from capital asset co-funding arrangements with external parties, contributed capital assets, sinking fund investment income and government grants, restricted for the purpose of acquiring capital assets and retiring capital advances and debentures. Expenses include interest on debt relating to the acquisition of capital assets, amortization and gains or losses on disposal of capital assets including write downs resulting from obsolescence.

Research and Special Fund:
The Research and Special Fund consists of contributions specifically restricted for research or other special activities. Contributions are provided from both federal and provincial granting agencies and other public and private sources. These funds are spent in accordance with the conditions stipulated in the governing contracts and agreements.

Staff Benefits Fund:
Surplus funds of the Staff Benefits Fund are invested by and held in the custody of The Great-West Life Assurance Company. The Staff Benefits Fund is divided into Fund Accounts for Pension Reserve, Self-Insured Plans and Benefit Reserve, the revenues of which are restricted for the purposes noted.

(i) Pension Reserve:
This Fund Account is restricted for special payments towards any unfunded liability of The University of Manitoba Pension Plans (1970) and (1993) and other pension obligations.

The Pension Reserve balance at March 31, 2002 is $4,739 (2001, $4,478).

(ii) Self-Insured Plans:
This Fund Account records the assets and liabilities for two self-insured benefit plans, the Long-Term Disability Income Plan and the Dental Plan. The Long Term Disability Income Plan is used for long term disability payments arising on and after June 1, 1981 for eligible staff. The Plan contains two funds, one for the payment of Basic Benefits and another for the payment of Cost-of-Living Benefits. The Long-Term Disability Plan balance as at March 31, 2002 is $4,854 (2001, $4,986).

The Dental Plan is administered by Manitoba Blue Cross. Surplus funds are held for the purpose of covering deficits which may occur in this self-insured plan. The Dental Plan balance as at March 31, 2002 is $239 (2001, $172).

(iii) Benefit Reserve:
This Fund Account is used for the support of current and future staff benefit programs. Experience refunds from The Great-West Life Assurance Company related to the group insurance plans are credited to this Fund Account. Employment Insurance Commission premium savings resulting from the extended sick leave coverage provided by the University are also credited to this Fund Account.

The Benefit Reserve balance at March 31, 2002 is $7,598 (2001, $8,047).

Trust Fund:
The Trust Fund records gifts and bequests received which may be used in their entirety along with net investment income earned on these funds, according to donor restrictions. The majority of these funds are used for scholarships, bursaries, awards, loans, and other scholarly activities.

f. Endowment Fund

The Endowment Fund records gifts and bequests received with the stipulation that these funds be invested in perpetuity and the income earned be utilized for designated purposes. In certain cases, the donor requires that a portion of the current investment income also be capitalized. As such, these funds are added to the capital account of the endowment.

g. Revenue Recognition

Restricted contributions relating to general operations are recognized as revenue of the General Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund.

Unrestricted contributions, including sales of goods and services and ancillary revenues, are recognized as revenue of the General Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income earned on surplus funds, with the exception of trust and endowment funds, is recorded as unrestricted income in the General Operating Fund.

Contributions for endowment purposes are recognized as revenue in the Endowment Fund in the year received. Investment income earned on endowments is recorded in the appropriate fund depending on the restrictions imposed by the original donor.

h. Contributed Materials and Services

Gifts-in-kind for materials other than capital assets are recorded in the financial statements to the extent that they are eligible for an official donation receipt, since this results in the capture of the information in the University's financial records.

Because of the difficulty involved in tracking and recording contributed services, however, the market value of these services are not recognized in the financial statements. Contributed services include activities such as membership on the University's Board of Governors and its various committees, lecturing services and volunteer services at fund-raising or sporting events all of which are performed by staff, students and the community at no charge to the University. These services, although not recognized in the financial statements, are critical to the successful functioning of the University.

i. Investments

Surplus cash is invested in the short term money market when management considers it practical to do so. Income is recognized on the accrual basis.

Trust and endowment funds are invested in either the University Investment Trust ("UIT") or the Specific Trusts. The UIT is pooled for investment purposes. Within the UIT individual capital accounts are unitized, in order to improve the protection of the real value of capital balances against inflation and to facilitate the equitable distribution of income based on the number of units. A new market value per unit is determined monthly. Capital contributions and withdrawals are based on the current market value per unit. The Specific Trust funds are not pooled, but are invested individually according to the wishes of the donor.

Trust and endowment funds, where no specific investment provisions exist, are invested in fixed income securities and in the equity markets. These investments are professionally managed and held in the custody of an independent company. Income, including realized gains and losses, is recognized on the accrual basis. Where specific investment provisions exist, funds are generally invested in fixed-income securities and income is recognized on the accrual basis.

Staff benefits funds are invested in pooled funds in the fixed income securities and equity markets. These investments are professionally managed and held in the custody of an independent company. Income, including realized gains and losses, is recognized on the accrual basis, net of administrative costs.

All investments are carried at the lower of cost and fair value. Gains and losses are recognized in the year of disposal.

j. Pledges Receivable

The University does not record pledges receivable in its financial statements. Revenue from gifts, bequests and donations is recognized on a cash basis because of the uncertainty surrounding collection and in some instances because of the difficulty in determining the valuation of pledges receivable. The University recognizes gifts and donations to be received through the University of Manitoba Foundation U.S.A. Inc. only when the Board of Directors of the Foundation have formalized the transfer with a resolution, collectibility is reasonably assured and the valuation of these gifts and donations can be reasonably determined.

k. Inventories

Inventories have been valued at the lower of cost and replacement cost.

l. Capital Assets

Purchased capital assets are recorded at cost. Capital assets which are constructed by the University are recorded as Construction in Progress until the capital asset is put into use. Contributed capital assets are recorded at market value at the date of contribution. Intangibles such as patents and copyrights are recorded at a nominal amount of one dollar in the year the patent or copyright is obtained.

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	25-50 years
Computers & Electronics	5 years
Library Books	10 years
Other Furniture & Equipment	10 years
Parking Lots	20 years
Vehicles	5 years

Equipment acquired under a capital lease is amortized over the term of the lease. Works of art, treasures, rare books and manuscripts are not amortized. Capital assets acquired or constructed and put into use during the fiscal year are amortized at one-half of the applicable rate.

m. Collections

The University holds a number of collections which have been donated to its libraries, faculties and schools over the years. The library, faculty or school receiving the donation assumes responsibility for safeguarding and preserving the collection. The University seldom, if ever, disposes of its collections or of individual pieces in its collections and therefore does not have a formal policy with respect to the use of proceeds of disposal. However, the University abides by all restrictions placed by donors at the time a donation is received, which may include restrictions imposed relating to the sale of a collection or items contained therein.

The University's policy with regard to its collections is to fund maintenance expenses from the General Operating Fund, if monies are not available for such purposes in a Restricted Fund. The cost of maintenance is not tracked and is therefore not determinable.

n. Pension Costs

The cost of pension benefits earned by employees who are members of the University of Manitoba Pension Plan (1970) and the University of Manitoba Pension Plan (1993) is determined actuarially using the projected unit credit actuarial cost method and management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees. Pension costs for The University of Manitoba GFT Pension Plan (1986) are based on the contributions required of the University by that Plan.

o. Financial Instruments

The financial instruments at the University consist of cash, short term investments, accounts receivable, long term investments, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the University is not exposed to significant interest, currency, market or credit risks arising from these financial instruments. The fair values of these instruments approximate their carrying values, unless otherwise disclosed.

p. Employee Future Benefits

The University accrues its obligations for employee future benefit plans relating to health, dental, long term disability and group life insurance. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

(in thousands of dollars)

3. INVESTMENTS

The fair values and book values of investments as at March 31 are:

	2002 Fair Value	2002 Book Value	2001 Book Value
General, Research & Capital			
Savings Certificates & Term Deposits	$ 81,479	$ 81,479	$ 71,183
Trust & Endowment			
Bonds and Debentures:			
Government of Canada	$ 19,602	$ 20,165	$ 21,420
Province of Manitoba	869	877	719
Other Provincial	6,398	6,536	6,894
Municipal	2,520	2,575	2,794
Corporate	20,421	20,093	17,543
Other	2,897	2,848	4,705
	52,707	53,094	54,075
Canadian Equities	57,162	50,921	44,592
US Equities	35,105	33,628	11,328
International Equities	33,781	35,626	11,328
Savings Certificates, Term Deposits and Treasury Bills	12,486	12,486	51,660
	$ 191,241	$ 185,755	$ 172,983

4. FUNDS ON DEPOSIT FOR STAFF BENEFITS

The fair value and book value of investments held for Staff Benefits as at March 31 are:

	2002 Fair Value	2002 Book Value	2001 Book Value
Bonds	$ 11,425	$ 10,993	$ 22,077
Equities	18,015	16,993	3,913
Real Estate	-	-	4,771
Mortgage Fund	3,263	3,246	-
Savings Certificates, Term Deposits and Treasury Bills	433	433	481
	$ 33,136	$ 31,665	$ 31,242
Held For:			
Pension Reserve	$ 8,040	$ 7,700	$ 7,601
Self Insured Plans	17,119	16,367	15,594
Benefit Reserve	7,977	7,598	8,047
	$ 33,136	$ 31,665	$ 31,242

5. INVESTMENT IN SUBSIDIARY COMPANIES

Smart Park Development Corporation is a wholly owned subsidiary of the University. The company has a March 31 year end and its purpose is to market and promote the development of a research park at the University of Manitoba.

University of Manitoba Research Ltd., incorporated under the Manitoba Corporations Act, is a wholly-owned subsidiary of the University. University of Manitoba Research and Development Corporation is a wholly-owned subsidiary of University of Manitoba Research Ltd. Both subsidiary companies have a March 31 year end and were inactive during the 2001/02 fiscal year. The consolidated net income (loss) of University of Manitoba Research Ltd. is recorded in the General Operating Fund in the Comparative Statement of Operations and Changes in Fund Balances.

Small Business Law Clinic (MB) Inc. is a wholly-owned not-for-profit corporation without share capital. The purpose of the corporation is to operate a clinic, whereby students from the Faculty of Law may develop skills that are prerequisite to a successful solicitor-client relationship and in the process, assist community-based entrepreneurs and small business owners by dispensing legal information at a nominal cost. The company is exempt from income taxes under Section 149 of the Income Tax Act.

6. ECONOMIC INTEREST IN RELATED ENTITIES

a. The University of Manitoba Foundation U.S.A. Inc.

The University has an economic interest in the University of Manitoba Foundation U.S.A. Inc. ("the Foundation") which is an Illinois Not-For-Profit Corporation incorporated in December 1989. The Foundation's purpose is exclusively charitable, literary, scientific and educational and its activities include the promotion, encouragement, aid and advancement of higher education, research and training in the Province of Manitoba, in Canada and elsewhere. The Foundation is exempt from U.S.A. Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

The Board of Directors of the Foundation is an independent board whose members direct and guide the Foundation's actions. Members on the Board include, among others, certain senior staff of the University of Manitoba. The University of Manitoba, however, is one of many universities eligible to receive aid from the Foundation. The University must make application to the Foundation's Board of Directors to request funds, which may or may not be granted. The University's economic interest therefore is beneficial, as gifts and donations which are solicited by the Foundation may be transferred to the University of Manitoba from time to time.

b. Biovar Life Support Inc.

The University has a 25% interest in Biovar Life Support Inc. ("Biovar") which is a profit-oriented company. Biovar has a June 30 year end. The University accounts for its investment in Biovar utilizing the cost method as it does not have significant influence in the management and/or direction of the company.

7. CAPITAL ASSETS, NET OF ACCUMULATED AMORTIZATION

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 9,800	$ -	$ 9,800	$ 3,708
Buildings	293,736	88,513	205,223	174,365
Construction in Progress	3,656	-	3,656	19,820
Library Books	92,421	66,197	26,224	23,941
Rare Books and Manuscripts	3,554	-	3,554	3,467
Works of Art	784	-	784	538
Computers & Electronics	81,438	63,683	17,755	16,504
Other Furniture & Equipment	94,668	61,347	33,321	25,660
Vehicles	5,208	3,900	1,308	1,142
Parking Lots	1,239	66	1,173	345
Assets Under Capital Lease	3,651	2,913	738	434
	$ 590,155	$ 286,619	$ 303,536	$ 269,924

8. CAPITAL LEASE OBLIGATIONS

Minimum lease payments which includes principal and interest under the capital lease obligations are as follows:

2003	$ 267
2004	276
2005	171
2006	178
2007	85
Total Minimum Lease Payments	977
Less: Interest at 6.4%	(109)
	868
Less: Current Portion	223
	$ 645

9. LONG TERM DEBT

	2002	2001
Term Loans		
University Parkade, 6.51%, due July 30,2004	$ 3,718	$ 3,829
University Parkade, Prime less .75%, due August 1, 2019	908	960
Helen Glass Centre for Nursing, 6.75%, due November 1, 2004	1,287	1,409
	5,913	6,198
Less : Current Portion	(305)	(287)
	$ 5,608	$ 5,911

(in thousands of dollars)

	2002	2001
Capital Advances-payable to the Province of Manitoba:		
Urgent Projects:		
5 7/8% due May 20, 2007	$ 482	$ 482
7 1/8% due July 27, 2008	706	706
6 7/8% due December 15, 2009	257	257
6 7/8% due March 31, 2011	555	555
Utility Service Tunnel - 9.3335% due March 31, 2002-2003	2,665	5,103
	4,665	7,103
Debenture payable-principal and interest guaranteed by the Province of Manitoba:		
7 1/2% series 1R due April 15, 2002	-	158
	4,665	7,261
Less: Sinking Fund Assets on Deposit with the Province of Manitoba	(4,490)	(6,852)
	$ 175	$ 409

The fair value of Sinking Fund Assets at March 31, 2002 is $4,416.

Principal repayments on long term debt payable over the next five years are as follows:

	Term Loans	Capital Advances/ Debentures	Total
2003	$ 305	$ 2,665	$ 2,970
2004	317	-	317
2005	4,540	-	4,540
2006	52	-	52
2007	52	482	534
Thereafter	647	1,518	2,165
	$ 5,913	$ 4,665	$ 10,578

10. EMPLOYEE FUTURE BENEFITS

The University of Manitoba provides certain health, dental, and group life benefits for its retired employees and long term disability benefits for current employees.

The current year benefit expense for existing and future retirees of the University is $5,035 (2001,$4,554).

The accrued benefit obligation relating to these defined benefit plans is $55,086 as at March 31, 2002 (2001, $52,280). The plan assets relating to these defined benefit plans is $18,848 as at March 31, 2002 (2001, $18,403). The type of assets held are disclosed in note 4.

In the current year, expected claims for extended health and dental benefits were based on the actual rates in effect as of April 1, 2001. Claims cost for extended health benefits were assumed to increase at an annual rate of 8% for the next 9 years and at a rate of 5% thereafter. Claims cost for dental benefits were assumed to increase at an annual rate of 6% for the next 4 years and at an annual rate of 4% thereafter. Group life benefits is expected to increase at a rate of 2.5% per annum. Further, in measuring the University's accrued benefit obligation, the actuary assumed a discount rate of 6.75%.

Other information about the University's defined benefit plan is as follows:

Employer contribution	$ 2,642
Employees' contributions	$ 811
Benefits Paid	$ 3,784
Expected return on plan assets	6.75%

(in thousands of dollars)

11. INTER-FUND ADVANCES AND LOANS

Inter-Fund advances and loans at March 31 are as follows:

	2002	2001
General Operating Fund:		
Due from (to) Trust	$ 954	$ (2,338)
Due from (to) Capital Asset	4,168	(20,610)
	$ 5,122	$ (22,948)
Capital Asset Fund:		
Due from (to) Operating	$ (4,168)	$ 20,610
Trust Fund:		
Due from (to) Operating	$ (954)	$ 2,338

12. INTER-FUND TRANSFERS

Inter-fund transfers from the General Operating Fund include $16,039 (2001, $13,311) of transfers to the Capital Asset Fund to cover the purchase of capital assets and debt servicing costs and $11,269 (2001, $11,856) of transfers to the Specific Provisions Fund to provide future funding for the replacement, improvement or emergency maintenance of capital assets, and for the early retirement incentive plan. The University's policy is to allow certain academic and administrative units who underspend their budgets in one year to carry over this amount for future years expenditures. As a result, inter-fund transfers also include $1,400 (2001,$2,940) to the Specific Provisions Fund to fund this carry over.

Inter-fund transfers from the Trust Fund include $1,095 (2001, $3,909) of transfers to the Research and Special Fund to cover eligible costs of research and special activities.

Inter-fund transfers from the Research and Special Fund include $498 (2001, $510) of transfers to the Specific Provisions Fund to cover the cost of future early retirements, $4,697 (2001, $5,295) of transfers to the Capital Asset Fund to cover the purchase of capital assets and $1,699 (2001, $1,221) of transfers to the General Operating Fund to cover overhead costs incurred by general operations on research and non-research contracts.

Inter-fund transfers from the Specific Provisions Fund include $901 (2001, $778) of transfers to the Capital Asset Fund to cover the purchase of capital assets.

13. CONTRIBUTED CAPITAL ASSETS

Contributions recognized in the Capital Asset Fund include contributed capital equipment, a building and library books of $862 (2001, $438).

14. PENSION PLANS

The University of Manitoba administers the University of Manitoba Pension Plan (1970), The University of Manitoba GFT Pension Plan (1986) and The University of Manitoba Pension Plan (1993). These are trusteed pension plans. The Trustees are responsible for the custody of the Plans' assets and issuance of annual financial statements, which do not form part of the University's financial statements.

The University of Manitoba Pension Plan (1970) and University of Manitoba Pension Plan (1993) are both money purchase plans with a defined benefit minimum. The funding for the plans requires a matching contribution from the University and the employees. The surplus from the Plans and the matching contribution is adequate to fund the Plan and the current level of funding satisfies the requirements of the Manitoba Pensions Benefit Act.

The actuarial present value of accrued pension benefits has been determined using the projected unit credit actuarial cost method, and assumptions developed by reference to expected long-term market conditions. An actuarial valuation effective December 31, 1999 was completed in 2000 by Eckler Partners Ltd., a firm of consulting actuaries. The results of this valuation have been extrapolated by Eckler Partners Ltd. to December 31, 2001. As at December 31, 2001, the University of Manitoba Pension Plan (1970) and The University of Manitoba Pension Plan (1993) were in an actuarial surplus of $1,223 (2000, $1,065) and $22,617 (2000, $21,159), respectively. The University cannot access this surplus and as a result, no asset has been recorded.

(in thousands of dollars)

The actuarial present value of benefits as at December 31 and the principal components of changes in actuarial present values during the year, were as follows:

	2001		2000	
	1993 Plan	1970 Plan	1993 Plan	1970 Plan
Actuarial present value of accrued pension benefits at beginning of year	$ 623,175	$ 13,612	$ 567,902	$ 12,822
Interest accrued on benefits	55,564	1,191	71,223	1,581
Benefits accrued	20,313	1,118	19,478	909
Benefits paid	(33,277)	(1,915)	(35,428)	(1,700)
Actuarial present value of accrued pension benefits at end of year	$ 665,775	$ 14,006	$ 623,175	$ 13,612

The significant long-term assumptions used in the valuation of the accrued pension benefits were a rate of return on assets of 7% per annum, a general rate of salary increase of 2.5% for the first three years and 5% thereafter, and a 6% interest assumption on the basis for converting member accumulations into annuities. However in preparing the extrapolation the investment return used for 2001 was 9.01%, being the rates of return for those years based on the actuarial asset values.

The actuarial value of net assets available for benefits, has been determined using a five year moving average fair value method. Under this method, the fair value is the underlying basis, but capital gains and losses are amortized over a five year period.

The fair and actuarial values of net assets available for benefits as at December 31 were as follows:

	2000		2001	
	1993 Plan	1993 Plan	1993 Plan	1970 Plan
Fair value of net assets available for benefits	$ 737,431	$ 16,314	$ 748,616	$ 17,052
Fair value changes not reflected in the actuarial value of net assets	(49,039)	(1,085)	(104,282)	(2,375)
Actuarial value of net assets available for benefits	$ 688,392	$ 15,229	$ 644,334	$ 14,677

The University recognized expenses equal to its contributions of $10,112 (2001, $9,538) for the 1970 Plan and for the 1993 Plan for the year ended March 31, 2002. Employee contributions matched the employer contributions.

The next full actuarial valuation of the Plans will be effective December 31, 2001 and will be completed in 2002.

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan, therefore, there is no requirement for an actuarial valuation of this Plan. The University's contributions to this Plan were $1,530 in 2002 (2001 $1,414).

The University approved amendments to the University of Manitoba Pension Plan (1993) to comply with the requirements of Canada Customs Revenue Agency (CCRA) in January 2001. It is anticipated that CCRA will confirm that this Plan has obtained registered status in 2002.

15. CANADIAN UNIVERSITIES RECIPROCAL INSURANCE EXCHANGE

The University of Manitoba is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. No additional assessment was necessary for the current year.

16. COMMITMENTS

Contractual commitments relating to construction in progress amount to $7,427 (2001, $3,743).

17. CONTINGENT LIABILITIES

On March 31, 1997, the University of Manitoba entered into an energy performance contract with MCW Energy Reduction Services Ltd. ("MCW"). Under the terms of a tri-party agreement, the University has agreed to the assignment by MCW to Paribas of all right, title and interest in payment of monies by the University under the energy performance contract. This agreement provides remedies to the University and Paribas in the event that MCW defaults on its obligations under the energy performance contract or receivable sale agreement. The University is contingently liable

obligations under the energy performance contract or receivable sale agreement. The University is contingently liable for any termination value owing to Paribas existing at the time of default by MCW. The amount of the potential liability, if any, cannot be estimated at this time.

The University of Manitoba is named as a defendant in litigations where action has commenced or is anticipated. While the ultimate outcome of these proceedings can not be predicted at this time, management and its legal counsel are of the opinion that the outcome will not have a material effect on the financial position of the University. No provision has been made in the financial statements in respect of these claims, as of March 31, 2002.

18. COMPARATIVE FIGURES

Comparative figures for the year ended March 31, 2001 have been restated, where appropriate, to conform with the presentation adopted for March 31, 2002.

SCHEDULES (UNAUDITED)

Schedule 1 **Changes to Specific Provisions Fund**

	Balance March 31, 2001	*Additions*	*Deductions*	*Balance March 31, 2002*
Administrative Systems Renewal	$ 6,125,728	$ 6,947,019	$	$ 13,072,747
Ancillary Furniture & Equipment Replacement	2,230,397	934,816	1,178,473	1,986,740
Building on Strengths Capital Campaign	1,600,000	1,500,000	1,262,160	1,837,840
Computer Equipment Replacement	2,578,046	2,737,632	894,115	4,421,563
Copier Replacement	314,386	195,543		509,929
Early Retirement Incentive	(1,568,703)	3,828,850	2,260,147	
Fiscal Stabilization	6,000,000	3,525,000	3,946,529	5,578,471
Parking Lot Improvements	2,628,900	1,364,893	979,464	3,014,329
Physical Education Equipment Replacement	144,460	36,976	56,220	125,216
Special Funding Arrangements & Unit Carry Overs	5,971,984	3,675,000		9,646,984
Special Projects & Initiatives	1,753,533	163,827	6,949	1,910,411
Vehicle & Other Equipment Replacement	539,852	61,700		601,552
Workers' Compensation Self Insurance	200,000	50,000		250,000
		$ 25,021,256	$ 10,584,057	
Balance End of Year	$ 28,518,583			$ 42,955,782

Schedule 2 **Changes to Capital Asset Fund**

	March 31, 2002	*March 31, 2001*
Revenue:		
Contributions, Donations, etc.	$ 3,066,698	$ 4,017,206
Council on Post-Secondary Education	11,514,928	16,557,894
Canada Foundation for Innovation	2,656,604	6,563,862
Investment Income	204,348	724,033
Other Government of Canada		88,422
Other Province of Manitoba	365,292	575,000
Province of Manitoba Innovation Fund	2,706,603	5,791,944
Western Economic Development Corporation	1,065,000	1,450,000
	21,579,473	35,768,361
Expense:		
Amortization of Capital Assets	22,470,806	21,093,373
Interest on Bank Loan, Debentures, Capital Advances and Capital Lease Obligations	1,085,635	1,257,969
	23,556,441	22,351,342
Inter-Fund Transfers	22,182,656	19,099,170
Net Change in the Year	20,205,688	32,516,189
Balance Beginning of the Year	288,014,709	255,498,520
Balance End of the Year	$ 308,220,397	$ 288,014,709

Schedule 3 **Changes to Research and Special Fund** *(Page 1)*

	Balance March 31, 2001	*Revenue*	*Expense*	*Inter-Fund Transfers*	*Balance March 31, 2002*
Sponsored or Assisted Research:					
Government of Canada:					
Social Sciences and Humanities Research Council	$ 1,926,424	$ 1,854,094	$ 1,641,604	$ (1,875)	$ 2,137,039
Canadian Institues of Health Research	5,309,170	15,922,394	13,947,232	(38,750)	7,245,582
Miscellaneous	1,742,455	3,769,661	3,009,084	(118,275)	2,384,757
National Health and Welfare	34,401	68,668	101,776		1,293
Networks of Centres of Excellence	175,016	2,651,000	2,691,231		134,785
Natural Sciences and Engineering Research Council	5,612,660	10,234,366	9,897,965	(9,375)	5,939,686
	14,800,126	34,500,183	31,288,892	(168,275)	17,843,142
Province of Manitoba:					
Agriculture	205,769	768,300	745,024	(21,000)	208,045
Health Research Initiative	2,669,672	1,290,000	569,134		3,390,538
Health Research Council	1,483,136	2,740,187	2,491,578	(694)	1,731,051
Miscellaneous	1,709,757	2,426,846	2,510,981	(59,760)	1,565,862
	6,068,334	7,225,333	6,316,717	(81,454)	6,895,496
Business and Industry	3,736,635	3,634,993	2,934,584	(83,866)	4,353,178
Foundations, Associations, etc.	9,510,836	10,179,212	12,454,887	215,150	7,450,311
Individuals, etc.	1,135,825	366,820	728,192	396,928	1,171,381
Manitoba Heart Foundation	375,076	832,477	813,470		394,083
National Cancer Institute of Canada	364,674	963,576	957,802		370,448
Special Projects	1,031,755	430,593	492,532	18,717	988,533
United States	3,305,018	4,941,311	3,831,179	(555,024)	3,860,126
	19,459,819	21,348,982	22,212,646	(8,095)	18,588,060
Sub-Total	40,328,279	63,074,498	59,818,255	(257,824)	43,326,698

Schedule 3 **Changes to Research and Special Fund** *(Page 2)*

	Balance March 31, 2001	*Revenue*	*Expense*	*Inter-Fund Transfers*	*Balance March 31, 2002*
Special Funds:					
Government of Canada	$ 5,715,328	$ 7,453,663	$ 7,199,502	$ (353,801)	$ 5,615,688
	5,715,328	7,453,663	7,199,502	(353,801)	5,615,688
Province of Manitoba:					
Agriculture	(3,375)	12,533	9,923		(765)
Miscellaneous	2,609,711	7,189,098	8,209,187	144,758	1,734,380
	2,606,336	7,201,631	8,219,110	144,758	1,733,615
Business and Industry	226,298	202,878	175,130	21,526	275,572
Foundations, Associations, etc.	2,486,891	3,882,699	3,801,485	(565,692)	2,002,413
Individuals, etc.	1,230,331	1,172,780	1,090,156	369,678	1,682,633
Special Projects	549,850	740,504	709,975	(38,696)	541,683
	4,493,370	5,998,861	5,776,746	(213,184)	4,502,301
Sub-Total	12,815,034	20,654,155	21,195,358	(422,227)	11,851,604
Total Research and Special Funds	53,143,313	83,728,653	81,013,613	(680,051)	55,178,302
Scholarships, Bursaries and Prizes	532,117	5,054,292	4,638,260	103,239	1,051,388
	53,675,430	88,782,945	85,651,873	(576,812)	56,229,690
Capital Asset			(4,697,151)	(4,697,151)	
Early Retirement Incentive			(497,999)	(497,999)	
		$ 88,782,945	$ 80,456,723	$ (5,771,962)	
Balance End of Year	$ 53,675,430				$ 56,229,690

Schedule 4 **Changes to Staff Benefits Fund**

	Pension Reserve	*Self-Insured Plans*	*Benefit Reserve*	*March 31, 2002*	*March 31, 2001*
Revenue:					
Investment Income	$ 531,272	$ 1,081,626	$ 602,215	$ 2,215,113	$ 2,916,556
Contributions		868,083		868,083	880,984
Experience Credits		55,547		55,547	19,958
	531,272	2,005,256	602,215	3,138,743	3,817,498
Expense:					
Experience Loss			130,493	130,493	538,696
Indemnity Payments	3,217	1,479,952		1,483,169	1,458,397
Management and Administrative Service Fees	26,115	185,113	102,440	313,668	260,526
	29,332	1,665,065	232,933	1,927,330	2,257,619
Net Revenue	501,940	340,191	369,282	1,211,413	1,559,879
Inter-Fund Transfers	(108,702)	(405,823)	(817,793)	(1,332,318)	(3,182,964)
Balance Beginning of the Year	4,477,968	5,158,334	8,046,380	17,682,682	19,305,767
Balance End of the Year	$ 4,871,206	$ 5,092,702	$ 7,597,869	$ 17,561,777	$ 17,682,682

Schedule 5 **Tuition and Related Fees**

	March 31, 2002	*March 31, 2001*
Degree Programs		
Regular Session:		
Agricultural & Food Sciences	$ 1,515,838	$ 1,661,217
Architecture	1,483,190	1,547,639
Arts	13,010,101	11,997,285
Continuing Education Division	2,632,110	2,135,955
Dentistry	1,897,040	1,570,449
Education	2,020,056	2,039,136
Engineering	3,049,916	3,039,940
School of Art	1,056,268	1,000,082
Graduate Studies	26,885	71,224
Human Ecology	1,075,062	881,752
Law	1,048,034	1,160,195
I. H. Asper School of Business	5,395,334	5,200,369
Medicine	4,337,975	4,058,900
School of Music	1,211,449	1,162,874
Natural Resources Institute	148,178	115,751
Nursing	3,072,033	2,483,863
Pharmacy	695,163	575,024
Physical Education and Recreation Studies	1,085,852	949,033
Science	12,033,391	11,505,991
Social Work	1,458,908	998,697
University 1	892,618	403,731
	59,145,401	54,559,107
Summer Session:		
Agricultural & Food Sciences	2,954	10,075
Architecture	14,246	4,249
Arts	1,840,995	1,898,599
Continuing Education Division	17,822	9,188
Education	229,162	325,542
Engineering	81,051	122,552
School of Art	58,556	63,060
Human Ecology	107,858	109,236
I. H. Asper School of Business	518,533	444,647
Medicine	108,247	95,268
School of Music	46,624	64,707
Nursing	693,397	596,995
Pharmacy	6,464	475
Physical Education and Recreation Studies	92,596	87,940
Science	1,341,832	1,519,402
Social Work	203,232	192,679
	5,363,569	5,544,614
Miscellaneous Fees	1,677,481	1,502,784
Non-Degree Programs		
Continuing Education Division	6,540,171	6,132,336
Other Faculties	986,544	567,258
	$ 73,713,166	$ 68,306,099

Schedule 6 **Revenue and Expense, Ancillary Enterprises**

	Bookstore, Phamacy, Post Office	*Parking*	*Residences*	*March 31, 2002*	*March 31, 2001*
Revenue	$ 19,267,890	$ 3,868,710	$ 2,453,970	$ 25,590,570	$ 24,713,878
Expense:					
Salaries	2,400,763	334,294	991,183	3,726,240	3,563,993
Staff Benefits	335,788	54,484	106,270	496,542	507,457
Pay Tax Levy	51,502	7,200	15,282	73,984	77,812
Cost of Goods Sold	14,987,644			14,987,644	14,885,531
Equipment, Alterations, etc.	67,103	34,280	117,357	218,740	763,620
Supplies and Expense	883,796	1,636,189	1,110,823	3,630,808	2,647,972
	18,726,596	2,066,447	2,340,915	23,133,958	22,446,385
Net Revenue (Expense)	541,294	1,802,263	113,055	2,456,612	2,267,493
Inter-Fund Transfers	(238,202)	(1,797,371)	(110,778)	(2,146,351)	(1,915,745)
Net Income 2002	$ 303,092	$ 4,892	$ 2,277	$ 310,261	
Net Income 2001	$ 344,408	$ 6,765	$ 575		$ 351,748

Schedule 7 **Net Operating Expenditures** *(Page 1)*

	Salaries and Wages					
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Academic						
Agricultural & Food Sciences	$ 5,286,311	$ 412,772	$ 3,005,791	$ 1,242,263	$ 187,317	$ 1,070,504
Architecture	2,627,016	124,105	781,171	481,324	75,691	639,331
Arts	18,548,430	890,880	2,721,045	2,938,271	471,558	1,401,437
Continuing Education Division	4,254,110	700,453	2,555,823	919,327	163,896	3,999,640
Dentistry	4,455,121	50,214	2,578,345	910,590	151,365	2,619,758
Education	3,683,794	373,710	779,119	626,411	103,995	633,636
Engineering	5,738,731	691,156	2,061,879	1,134,022	183,619	934,509
School of Art	1,482,959	550	191,642	226,848	35,723	176,806
Graduate Studies	137,397	2,182,064	373,154	78,830	11,319	221,113
Human Ecology	1,817,818	121,531	444,824	318,287	50,146	252,874
Law	1,951,648	110,522	319,903	300,784	51,172	235,999
I. H. Asper School of Business	4,728,658	295,312	1,243,361	793,484	133,648	1,173,318
Medicine	13,361,605	448,199	4,132,959	2,824,165	392,442	2,709,812
School of Music	1,450,908	82,955	170,660	222,514	36,662	805,048
Natural Resources Institute	415,959	33,472	65,558	68,207	10,197	64,062
Nursing	3,428,269	2,323,656	1,189,656	903,343	148,485	808,097
Pharmacy	1,288,990	19,432	264,218	219,755	33,821	174,593
Physical Education and Recreation Studies	1,360,616	91,038	211,367	223,769	35,678	202,635
Science	14,193,098	1,334,891	3,458,801	2,506,545	406,780	1,675,813
Social Work	2,488,563	59,338	667,397	438,505	68,410	525,114
University 1	158,471	34,727	342,475	72,337	11,534	155,257
Equipment & Renovations						
	92,858,472	10,380,077	27,559,148	17,449,581	2,763,458	20,479,356
Less Capitalized Items						
	92,858,472	10,380,977	27,559,148	17,449,581	2,763,458	20,479,356
Other Academic Support						
Information Services and Technology		130	6,599,700	969,741	142,232	1,999,686
Institutes, Centres and Specialized Academic Units	19,299	136,954	589,367	103,584	16,106	1,200,758
Research Development	39,672	59,402	47,677	13,613	2,641	1,753,101
Staff Development Program		16,429	12,787	3,228	685	177,993
Colleges	279,994		473,062	106,012	16,198	167,181
Equipment & Renovations						
	338,965	212,915	7,722,593	1,196,178	177,862	5,298,719
Less Capitalized Items						
	338,965	212,915	7,722,593	1,196,178	177,862	5,298,719
Libraries						
Elizabeth Dafoe Library	1,811,404	273	2,697,848	682,181	96,916	3,485,237
Agriculture Library	31,930		51,871	12,168	1,804	123,350
Architecture and Fine Arts Library	125,446		270,382	61,938	8,415	139,816
Dental Library						2,420
Education Library	11,290		81,472	15,116	1,998	104,142
Engineering Library	119,241		77,419	30,115	4,236	378,867
Law Library	193,129		229,248	63,823	9,097	575,670
Management Library	152,748	5,583	169,724	45,774	7,063	196,414
Medical Library	552,720		756,145	202,838	28,328	1,320,995
Music Library	74,197		57,196	16,962	2,829	38,873
Science Library	219,457	1,372	292,600	75,068	11,055	957,972
St. John's College Library	30,280		75,010	16,529	2,268	44,020
St. Paul's College Library	37,353		88,456	18,399	2,709	62,566
Equipment & Renovations						
	3,359,195	7,228	4,847,371	1,240,911	176,718	7,430,342
Less Capitalized Items Books & Periodicals Expensed						(6,436,548)
	3,359,195	7,228	4,847,371	1,240,911	176,718	993,794

Equipment Alter.,Etc.	Gross Expenditure	Deduct Inter-Departmental Income	Total Expenditure March 31, 2002	Deduct Sales of Goods & Services	Net Expenditure March 31, 2002	Net Expenditure March 31, 2001
$ 487,802	$ 11,692,760	$ 347,812	$ 11,344,948	$ 817,895	$ 10,527,053	$ 10,669,571
146,987	4,875,625	14,935	4,860,690	77,494	4,783,196	4,319,344
754,201	27,725,822	12,000	27,713,822	53,279	27,660,543	26,312,033
846,159	13,439,408	162,759	13,276,649	159,360	13,117,289	12,206,260
274,021	11,039,414		11,039,414	3,370,846	7,668,568	7,709,743
449,280	6,649,945	56,332	6,593,613	4,900	6,588,713	6,169,829
177,818	10,921,734	101,994	10,819,740	181,088	10,638,652	9,836,001
45,063	2,159,591	1,800	2,157,791	12,568	2,145,223	2,055,663
16,342	3,020,219		3,020,219	66,582	2,953,637	2,802,128
104,360	3,109,840		3,109,840	134,053	2,975,787	2,784,894
76,085	3,046,113		3,046,113	48,482	2,997,631	2,618,899
303,002	8,670,783	48,000	8,622,783	19,284	8,603,499	8,226,982
570,010	24,439,192	402,558	24,036,634	1,697,538	22,339,096	21,571,011
232,560	3,001,307	1,256	3,000,051	53,737	2,946,314	2,495,305
37,155	694,610	2,515	692,095	2,058	690,037	613,910
346,887	9,148,393	23,564	9,124,829	7,795	9,117,034	7,957,072
108,250	2,109,059		2,109,059		2,109,059	1,776,471
147,888	2,272,991		2,272,991	5,016	2,267,975	2,109,881
917,665	24,493,593	318,462	24,175,131	575,261	23,599,870	22,756,993
209,752	4,457,079	96,092	4,360,987	140,553	4,220,434	2,431,762
17,611	792,412		792,412		792,412	876,134
						514,290
6,268,898	177,759,890	1,590,079	176,169,811	7,427,789	168,742,022	158,814,176
(4,146,367)	(4,146,367)		(4,146,367)		(4,146,367)	(4,215,313)
2,122,531	173,613,523	1,590,079	172,023,444	7,427,789	164,595,655	154,598,863
4,921,214	14,632,703	581,170	14,051,533	255,348	13,796,185	11,689,545
55,881	2,121,949	354,435	1,767,514	1,012,016	755,498	679,808
28,663	1,944,769		1,944,769	2,457,056	(512,287)	(413,745)
2,849	213,971		213,971		213,971	222,256
42,141	1,084,588	22,736	1,061,852		1,061,852	1,044,832
						99,975
5,050,748	19,997,980	958,341	19,039,639	3,724,420	15,315,219	13,322,671
(2,223,865)	(2,223,865)		(2,223,865)		(2,223,865)	(1,446,514)
2,826,883	17,774,115	958,341	16,815,774	3,724,420	13,091,354	11,876,157
487,424	9,261,283	20,434	9,240,849	463,079	8,777,770	7,693,042
	221,123		221,123		221,123	212,816
78	606,075		606,075		606,075	532,644
	2,420		2,420		2,420	
40	214,058		214,058		214,058	260,447
	609,878		609,878		609,878	535,533
40,312	1,111,279	594	1,110,685	8,150	1,102,535	988,251
	577,306		577,306		577,306	499,176
4,862	2,865,888	8,251	2,857,637	132,103	2,725,534	2,448,459
611	190,668		190,668		190,668	168,519
	1,557,524		1,557,524	5,570	1,551,954	1,522,760
	168,107		168,107		168,107	140,828
	209,483		209,483		209,483	164,345
						25,000
533,327	17,595,092	29,279	17,565,813	608,902	16,956,911	15,191,820
(406,215)	(406,215)		(406,215)		(406,215)	(217,411)
	(6,436,548)		(6,436,548)		(6,436,548)	(5,423,720)
127,112	10,752,329	29,279	10,723,050	608,902	10,114,148	9,550,689

Schedule 7 **Net Operating Expenditures** *(Page 2)*

	Salaries and Wages					
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
Student Services						
Aboriginal Student Centre	$	$	$ 142,109	$ 19,269	$ 3,059	$ 86,130
Alumni Association			60,900	9,018	1,312	391,354
Admissions Office			834,568	118,758	17,972	258,042
Chaplain's Office						3,348
Counselling Services	418,993	41,280	125,129	81,915	12,579	208,927
English Language Center	179,590	230,542	76,395	59,863	10,469	154,535
Financial Aid and Awards			187,609	28,342	4,040	20,267
Housing and Student life			80,800	11,780	1,740	23,115
International Centre for Students			205,261	24,598	4,418	35,430
Parent's Programs						13,024
Playcare Centre			99,260	14,753	2,137	8,873
Recreation and Athletics	295,490	253,923	2,121,452	304,940	57,483	1,383,188
Special Programming	103,500	155,187	648,678	133,267	19,536	117,605
Student Records Office			793,732	120,986	17,076	172,339
U.M.S.U. Special Projects						10,000
University Health Services			516,548	64,354	11,122	64,867
Equipment & Renovations						
	997,573	680,932	5,892,441	991,843	162,943	2,951,044
Less Capitalized Items						
	997,573	680,932	5,892,441	991,843	162,943	2,951,044
Administration						
President's Office	815,339	147	2,054,736	386,667	62,794	752,874
Financial Services			2,722,762	418,918	58,383	273,853
Human Resources			1,951,969	286,359	41,728	599,406
Institutional Analysis			330,009	47,186	7,107	35,141
Audit Services			174,367	24,454	3,755	26,567
Legal Services			137,140	16,374	2,397	333,866
Office Machine Services						50,165
University Secretariat			290,179	40,999	6,235	74,841
Staff Benefits Office			468,951	72,354	10,100	174,542
Public Affairs			311,483	47,962	6,709	784,672
Equipment & Renovations						
	815,339	147	8,441,596	1,341,273	199,208	3,105,927
Less Capitalized Items						
	815,339	147	8,441,596	1,341,273	199,208	3,105,927
Physical Plant						
Insurance						573,285
Physical Plant			10,945,820	1,740,332	235,646	1,038,382
Post Office and Mail Service			181,158	30,058	3,902	896,145
Security			1,096,803	161,872	23,603	234,724
Utilities:						
Fuel-Fort Garry						6,581,449
Fuel-Medical and Dental						1,911,498
Light, Power and Water						4,741,154
Telephone			311,941	45,191	6,703	1,552,033
Pan Am Residences						
Vehicle Fleet						22,370
Waste Management			33,998	5,396	732	13,149
Worker's Compensation						265,591
Equipment & Renovations						
			12,569,720	1,982,849	270,586	17,829,780
Less Capitalized Items						
			12,569,720	1,982,849	270,586	17,829,780

Equipment Alter.,Etc.	Gross Expenditure	Deduct Inter-Departmental Income	Total Expenditure March 31, 2002	Deduct Sales of Goods & Services	Net Expenditure March 31, 2002	Net Expenditure March 31, 2001
$	$ 250,567	$	$ 250,567	$	$ 250,567	$ 213,868
	462,584		462,584		462,584	397,143
32,856	1,262,196		1,262,196		1,262,196	1,149,208
	3,348		3,348		3,348	3,256
10,119	898,942		898,942	8,350	890,592	878,821
8,143	719,537	8,261	711,276	55,406	655,870	442,684
	240,258		240,258		240,258	228,347
683	118,118		118,118	2,967	115,151	172,166
11,103	280,810	100	280,710	15,556	265,154	242,694
	13,024		13,024		13,024	23,308
4,516	129,539		129,539	28,583	100,956	87,678
134,499	4,550,975	24,340	4,526,635	3,718,586	808,049	1,106,025
45,057	1,222,830	2,953	1,219,877	9,895	1,209,982	1,231,061
32,051	1,136,184		1,136,184		1,136,184	875,778
	10,000		10,000		10,000	9,000
10,457	667,348		667,348	382,522	284,826	248,991
						45,000
289,484	11,966,260	35,654	11,930,606	4,221,865	7,708,741	7,355,028
(222,382)	(222,382)		(222,382)		(222,382)	(149,162)
67,102	11,743,878	35,654	11,708,224	4,221,865	7,486,359	7,205,866
78,887	4,151,444	291,260	3,860,184	35,200	3,824,984	3,462,301
30,164	3,504,080	50,088	3,453,992	103,647	3,350,345	3,251,567
37,590	2,917,052	263,557	2,653,495	14,778	2,638,717	2,444,164
1,617	421,060		421,060		421,060	399,669
4,041	233,184		233,184		233,184	229,495
	489,777		489,777		489,777	507,266
248,565	298,730	482,605	(183,875)		(183,875)	(255,374)
2,281	414,535		414,535		414,535	396,116
4,341	730,288		730,288	407,936	322,352	291,765
1,680	1,152,506	475,848	676,658	240	676,418	580,047
						23,045
409,166	14,312,656	1,563,358	12,749,298	561,801	12,187,497	11,330,061
(205,433)	(205,433)		(205,433)		(205,433)	(310,373)
203,733	14,107,223	1,563,358	12,543,865	561,801	11,982,064	11,019,688
	573,285		573,285		573,285	559,315
3,639,906	17,600,086	2,741,836	14,858,250	330,867	14,527,383	13,663,023
1,799	1,113,062	888,901	224,161		224,161	224,533
6,421	1,523,423	665,000	858,423	30,000	828,423	514,024
	6,581,449	572,657	6,008,792	868,373	5,140,419	5,090,219
135,762	2,047,260	100,211	1,947,049	9,712	1,937,337	1,336,218
13,084	4,754,238	466,577	4,287,661	447,788	3,839,873	3,716,168
6,312	1,922,180	2,833,702	(911,522)	41,767	(953,289)	(918,916)
24,577	46,947	68,422	(21,475)	1,382	(22,857)	(22,926)
22,344	75,619		75,619	71,645	3,974	30,900
	265,591		265,591	64,623	200,968	303,307
						2,294,831
3,850,205	36,503,140	8,337,306	28,165,834	1,866,157	26,299,677	26,790,696
(1,138,342)	(1,138,342)		(1,138,342)		(1,138,342)	(2,465,525)
2,711,863	35,364,798	8,337,306	27,027,492	1,866,157	25,161,335	24,325,171

Schedule 7 **Net Operating Expenditures** *(Page 3)*

	Salaries and Wages					
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*	*Supplies and Expenses*
General						
125th Anniversary	$	$	$ 10,092	$ 722	$ 217	$ 55,803
Annual Giving Program			240,451	25,274	5,175	73,329
Audit Fees/Memberships						184,899
Bad Debt						19,371
Calendars & Registration						135,496
Campus Beautification						143,914
Campus Planning Group			33,106	2,366	744	18,119
Cancopy License and Fees						86,037
Change in Vacation Pay Liability						(179,016)
Convocation			68,683	11,035	1,479	103,117
Employee Assistance Plan						164,699
Exchange & Bank Charges						(173,173)
External Relations	22,423		603,592	94,061	13,513	716,950
Handicapped Transport						
Miscellaneous						68,544
Ombudsman			56,685	8,941	1,221	6,636
Outreach Programs						22,584
R.G. & E.M. Knight Distinguished Visitors Program						10,527
Private Funding			585,195	91,579	12,604	290,006
Retiring Allowances				9,100		
Rentals						64
Executive Searches						108,173
Supplementary Health & Dental				1,006,020		
Supplementary Pensions				906,810		
Shuttle Bus						163,672
University Centre Management			373,752	52,140	8,015	280,895
United Way						6,186
Visitor Information Centre			24,050	1,592	517	395
Equipment & Renovations						
	22,423		1,995,606	2,209,640	43,485	2,307,227
Less Capitalized Items						
	22,423		1,995,606	2,209,640	43,485	2,307,227
Total of Operating Expenses	$ 98,391,967	$ 11,282,199	$ 69,028,475	$ 26,412,275	$ 3,794,260	$ 52,965,847

			Deduct	Total Expenditure	Deduct	Net Expenditure	
Equipment Alter., Etc.	Gross Expenditure		Inter-Departmental Income	March 31, 2002	Sales of Goods & Services	March 31, 2002	March 31, 2001
$	$	66,834	$ 1,980	$ 64,854	$	$ 64,854	$
2,064		346,293		346,293		346,293	292,957
		184,899		184,899		184,899	188,568
		19,371		19,371		19,371	35,589
		135,496		135,496		135,496	122,387
7,708		151,622		151,622		151,622	50,461
		54,335		54,335		54,335	76,934
		86,037		86,037		86,037	67,914
		(179,016)		(179,016)		(179,016)	1,224,885
52,902		237,216		237,216		237,216	217,988
		164,699		164,699		164,699	179,563
		(173,173)		(173,173)		(173,173)	(116,107)
600		1,451,139		1,451,139		1,451,139	762,386
2,021		2,021		2,021		2,021	1,591
66,122		134,666		134,666		134,666	117,859
58		73,541		73,541		73,541	65,786
		22,584		22,584		22,584	28,099
		10,527		10,527		10,527	
6,331		985,715		985,715		985,715	1,021,117
		9,100		9,100	2,692	6,408	9,546
		64		64	1,756	(1,692)	60,192
		108,173		108,173		108,173	
		1,006,020		1,006,020		1,006,020	900,823
		906,810		906,810	453,095	453,715	450,244
		163,672		163,672		163,672	109,322
79,370		794,172		794,172	528,614	265,558	194,346
		6,186		6,186		6,186	5,950
		26,554		26,554		26,554	27,725
							17,860
217,176		6,795,557	1,980	6,793,577	986,157	5,807,420	6,113,985
(204,288)		(204,288)		(204,288)		(204,288)	(107,843)
12,888		6,591,269	1,980	6,589,289	986,157	5,603,132	6,006,142
$ 8,072,112	$	269,947,135	$ 12,515,997	$ 257,431,138	$ 19,397,091	$ 238,034,047	$ 224,582,576

Schedule 8 **Research & Special Fund Expenditures**

	Salaries and Wages				
	Academic	*Other Instruction*	*Support*	*Staff Benefits*	*Payroll Tax Levy*
Academic					
Agricultural & Food Sciences	$ 18,765	$ 2,547,993	$ 1,241,086	$ 250,833	$ 45,103
Architecture		7,131	8,897	943	332
Arts	8,911	516,491	138,263	47,035	10,950
Continuing Education Division	104,709	15,220	185,407	24,475	3,166
Dentistry		88,635	235,651	35,747	5,558
Education	16,818	192,122	58,982	17,600	5,396
Engineering	279,640	2,170,557	254,990	56,961	11,125
School of Art		1,157	712	67	38
Graduate Studies		1,640,788			
Human Ecology	51,965	281,756	129,313	31,659	6,429
Law		59,197		4,390	1,420
I. H. Asper School of Business	37,918	272,404	136,238	35,478	7,497
Medicine	4,321,430	7,470,475	8,339,270	2,379,470	350,288
School of Music					
Natural Resources Institute	10,500	346,687	6,480	1,556	493
Nursing	164,184	30,994	62,423	26,196	5,091
Pharmacy	129,480	218,492	134,085	40,921	7,363
Physical Education and Recreation Studies	218,594	173,017	6,588	45,191	7,876
Science	199,059	1,948,108	361,437	112,188	21,481
Social Work	117,356	65,402	120,399	29,919	5,232
University 1					
	5,679,329	18,046,626	11,420,221	3,140,629	494,838
Less Capitalized Items					
	5,679,329	18,046,626	11,420,221	3,140,629	494,838
Other Academic Support					
Institutes, Centres and Specialized Academic Units	15,586	115,708	104,266	19,014	3,472
Colleges					
	15,586	115,708	104,266	19,014	3,472
Less Capitalized Items					
	15,586	115,708	104,266	19,014	3,472
Libraries			19,580	1,486	416
Less Capitalized Items					
Books & Periodicals Expensed					
			19,580	1,486	416
Student Services		372,501			
Less Capitalized Items					
		372,501			
Administration		28	171,695	15,514	1,894
Less Capitalized Items					
		28	171,695	15,514	1,894
Physical Plant					
General					
Total of Research and Special Fund Expenses	$ 5,694,915	$ 18,534,863	$ 11,715,762	$ 3,176,643	$ 500,620

Supplies and Expenses	Equipment Alter.,Etc.	March 31, 2002 Gross Expenditure	March 31, 2001 Gross Expenditure
$ 2,129,999	$ 887,274	$ 7,121,053	$ 6,721,322
26,185		43,488	75,968
697,003	149,226	1,567,879	1,656,757
167,063	5,382	505,422	921,421
334,261	30,956	730,808	790,144
256,823	9,854	557,595	379,137
3,453,899	958,099	7,185,271	7,187,659
34,104	2,683	38,761	20,636
(104)		1,640,684	1,353,728
411,194	51,940	964,256	641,233
35,819	3,000	103,826	90,410
418,363	22,621	930,519	600,086
22,614,574	2,637,281	48,112,788	40,454,960
111,143		111,143	28,665
383,371	11,776	760,863	512,644
148,375	1,610	438,873	512,764
132,774	69,827	732,942	946,412
249,704	63,129	764,099	787,333
2,326,888	694,370	5,663,531	5,522,615
463,320	38,974	840,602	2,309,050
			2,510
34,394,758	5,638,002	78,814,403	71,515,454
	(4,599,130)	(4,599,130)	(4,441,721)
34,394,758	1,038,872	74,215,273	67,073,733
185,427		443,473	415,869
			958
185,427		443,473	416,827
			(14,320)
185,427		443,473	402,507
19,460	71,569	112,511	477,420
	(56,984)	(56,984)	(115,270)
(34,490)		(34,490)	(285,737)
(15,030)	14,585	21,037	76,413
129,081	246	501,828	501,521
			(10,970)
129,081	246	501,828	490,551
923,476	6,547	1,119,154	1,779,444
	(6,547)	(6,547)	(28,850)
923,476		1,112,607	1,750,594
22,244		22,244	4,838
			146,600
$ 35,639,956	$ 1,053,703	$ 76,316,462	$ 69,945,236